

Message Text

UNCLASSIFIED

PAGE 01 STATE 205995

15

ORIGIN EB-11

INFO OCT-01 EUR-25 NEA-10 ISO-00 CAB-09 CIAE-00 COME-00

DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 L-03 SS-20 NSC-10

/100 R

DRAFTED BY EB/OA/AVP:JASILBERSTEIN:JO

APPROVED BY EB/OA:JSMEADOWS

CAB - MR. DEEGAN

CAB - MR. LITTELL

----- 006542

R 172112Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY NICOSIA

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

UNCLAS STATE 205995

E.O. 11652: N/A

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 205995

TAGS: ETRN, XG

SUBJECT: CIVAIR - NORTH ATLANTIC AIR FARES AND RATES

REF : STATE 169043, 173083

1. THE CIVIL AERONAUTICS BOARD ON OCTOBER 16 REAPPROVED THE INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) AGREEMENTS GOVERNING 1973 NORTH ATLANTIC PASSENGER FARES.

IN ANNOUNCING ITS DECISION THE BOARD SAID THAT IN ITS VIEW THE MATERIALS CONTAINED IN THE EARLIER PLEADINGS AND CARRIER REPORTS TO THE BOARD, TAKEN TOGETHER WITH THE MATERIALS IN THE POST-REMAND COMMENTS, PROVIDE ADEQUATE FACTUAL BASES FOR ITS ACTION AND "SUBSTANTIAL EVIDENCE" WHICH SUPPORTS ITS PRESENT FINDINGS.

THE BOARD'S DECISION WAS PREDICATED ON ITS DETERMINATION THAT, ALTHOUGH THE FARE STRUCTURE OF THE IATA RESOLUTION WAS DISAPPOINTING, IT WAS AT LEAST AS FAVORABLE AS THAT LIKELY TO BE PRODUCED BY OTHER ALTERNATIVES. THE U.S. GOVERNMENT HAD SOUGHT TO ACHIEVE BETTER FARES BY NEGOTIATING WITH THE EUROPEAN NATIONS BUT, AS THE DEPARTMENT OF STATE NOTED IN ITS COMMENTS TO THE BOARD, THOSE COUNTRIES INSISTED ON A MULTILATERAL SOLUTION WITH GENERAL SUPPORT, AND THE UNITED STATES WOULD NOT HAVE BEEN ABLE TO EFFECTIVELY INSIST ON THE FARES PROPOSED BY THE U.S. CARRIERS. IN THOSE CIRCUMSTANCES, THE DEPARTMENT OF STATE WAS OF THE VIEW THAT "CONTINUANCE OF THE EXISTING FARES WAS A RESPONSIBLE SOLUTION IN THE FACE OF THE BROAD SPECTRUM OF PUBLIC AND NATIONAL INTERESTS LIKELY TO BE AFFECTED."

THE BOARD NOTED THAT ITS APPROVAL ENDED THE UNCERTAINTIES WHICH WERE DISRUPTING THE ORDERLY SALE OF AIR TRANSPORTATION. ITS ACTION REPRESENTED A COMPROMISE SOLUTION WHICH ACHIEVED GAINS AVAILABLE WITHOUT EXCLUDING THE CHANCES FOR FURTHER PROGRESS.

BUT THE BOARD STRESSED THAT ITS ACTION SHOULD NOT BE MISUNDERSTOOD AS SANCTIONING SIMILAR FARES BEYOND THE END OF CALENDAR 1973. "ALTHOUGH OUR JUDGMENT WAS AND IS THAT THE PRESENT AGREEMENT WAS THE BEST OBTAINABLE

UNCLASSIFIED

PAGE 03 STATE 205995

DURING 1973," THE BOARD SAID, THE AGENCY "HAS ALREADY SERVED NOTICE THAT IT IS 'DISPOSED TO WITHHOLD APPROVAL' OF AN IATA AGREEMENT CONTAINING CERTAIN NORTH ATLANTIC FARES FOR 1974" AND "WILL NOT HESITATE TO USE ITS STATUTORY SUSPENSION AUTHORITY--AND TO RECOMMEND FIRM DIPLOMATIC ACTION--IF THAT COURSE PROMISES TO ACHIEVE THE UNITED STATES' POLICY GOALS."

2. COMMENT: AS RESULT OF LATEST BOARD ACTION, IATA AGREEMENT ON NORTH ATLANTIC FARES, AND TARIFFS FILED THEREUNDER, REMAIN IN EFFECT AS BEFORE. NEW CAB DECISION WAS ISSUED TO COMPLY WITH APPELLATE COURT'S AUGUST DECISION OVERTURNING CAB'S PRIOR ORDER. NEW ORDER STANDS UNLESS CHALLENGED IN COURT.

3. FULL TEXT OF CAB ORDER WILL BE POUCHED. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR FARES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE205995
Document Source: CORE
Document Unique ID: 00
Drafter: JASILBERSTEIN:JO
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731026/aaaaaswv.tel
Line Count: 123
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 169043, 173083
Review Action: RELEASED, APPROVED
Review Authority: willialc
Review Comment: n/a
Review Content Flags:
Review Date: 05 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05-Dec-2001 by bryansd0>; APPROVED <30-Jan-2002 by willialc>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - NORTH ATLANTIC AIR FARES AND RATES
TAGS: ETRN, XG, IATA, CAB
To: ANKARA MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005